

BY STEVE ISRAEL

*Rep. Steve Israel (D-Huntington) is a new member of the House Appropriations Subcommittee on Energy and Water.*

The appointment of Kevin Law to head the Long Island Power Authority is a profound opportunity to transform the agency into a driving force to wean this region off oil and natural gas and toward renewable energy sources.

No institution is better positioned than LIPA to be the catalyst that brings together local industry and universities to research, develop, engineer and produce advanced energy sources like hydrogen, solar, geothermal and wind power.

Richard Kessel successfully guided LIPA through its first generation. He was a longtime consumer advocate who took the reins when customers were demanding considerable reforms to get rates under control. But the greater challenge today is that Long Island is competing for energy resources with China and other rapidly developing countries.

Ours is one of the few remaining metropolitan areas that relies primarily on oil for our electricity. Only 2 percent of all oil consumed in the United States is for electricity, and Long Island comprises a big chunk of that. This leaves our economy especially susceptible to fluctuations in prices, as supplies diminish and international competition increases.

What could a refashioned LIPA do to help end this dependence?

Offer expanded rebates for households and businesses that conserve energy, by weatherizing, for example, and invest in renewable technologies such as solar panels.

Work closely with one of Long Island's biggest energy consumers: the schools. Energy costs in school districts have doubled in recent years. LIPA could develop a master plan for upgrading antiquated school buildings with renewable technologies. The savings can be passed on in lower property taxes.

Provide financial incentives for local companies that are developing green energy technologies. There is a real shortage of capital to keep them in business. LIPA could consider leveraging its financial resources with local banks to offer low-cost loans. What's better: dispensing a grant to purchase a solar panel or providing sustained financing to a company that wants to build solar panels.

Switch to "smart meters" that reward consumers with lower bills for reducing energy consumption during peak usage hours.

All of these steps will require a fundamental change in LIPA's mission. As an energy company, LIPA is in the business of selling energy, rather than reducing demand for its product. Can it really become a "green" advocate, striving to lower energy usage, while keeping its rates low?

We know that LIPA would not be the first public utility to do this. Austin Energy, a community-owned public utility serving 800,000 customers in Texas, has lowered emissions, provided rebates and low-interest loans to customers employing advanced energy technologies, and begun a "plug-in hybrid" vehicle campaign, all while maintaining competitive rates and returning millions of dollars each year to the local government by selling off the energy supplies it doesn't use.

Kevin Law has a mix of vision and pragmatism, hard work and level-headedness that is well suited to leading LIPA's transformation. But he will need help from Albany and Washington. The state needs to consider rate structure changes that will make conservation an economically feasible route for LIPA to take. And Congress needs to create incentives for families to invest in alternative-fuel vehicles or to upgrade their homes to renewable energy sources. At the federal level, we also need more investment and production tax credits to encourage industries to research and develop new energy technologies.

In the same way that Grumman once served as a catalyst to help make Long Island a major

wheel in the national defense industry, LIPA can help Long Island become a major center for advanced energy. When our nation was confronted by the threat of World War II, Long Island universities and businesses created the industrial backbone that helped defeat that threat. In its next generation, that industry designed the technologies that landed Americans on the moon.

America succeeded in the space race largely because the government partnered with the private sector to provide the initial capital for commercially risky projects at companies like Grumman. We will need nothing less in the race to become energy independent.